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Mayor

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*The vision of New Haven's children
is our city's greatest resource.**

Testimony of John DeStefano Jr., Mayor City of New Haven

Connecticut General Assembly Joint Committee on Energy and Technology February 26, 2009

As Mayor of the City of New Haven, I strongly support **SB 594**
AN ACT CONCERNING RELOCATION COSTS AND ELECTRIC UTILITY RATES. The bill prohibits the Department of Public Utility Control from considering relocation costs as operating expenses when determining an electric distribution company rate schedule.

Section 16-19 of the Connecticut General Statutes outlines the requirements for the Department in its analysis of allowable operating expenses for rate schedule adjustments. While the current statutes do not address relocation expenses explicitly, they demonstrate a clear intent to shield ratepayers from all expenses not intrinsic to the operation of a reliable distribution network. In this spirit, ratepayers should not be asked to pay relocation expenses when the potential rate benefits are years away, beyond anyone's ability to predict market forces. If electric distribution companies believe that relocation improves their long-term financial position and profitability, shareholders should be responsible for providing the capital on such an investment.

Furthermore, Section 16-19 requires the Department of Public Utility Control to consider the ability of customers to pay a rate increase. There is no question that poor and middle class ratepayers can ill afford a rate increase of any kind in the current economic crisis, let alone one due to the elective relocation of a particular company. Asking ratepayers to pay for a relocation now that may save them



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money in the future is equivalent to asking for a loan. The relocation does not directly enhance their electric service, but only offers them the perhaps elusive hope of savings in the future. Therefore, I ask that you protect our ratepayers from undue rate increases by supporting SB 594. Thank you.



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